

**DEPARTMENT OF STATE REVENUE**

**LETTER OF FINDINGS NUMBER: 02-0065P**

**Individual Income Tax  
Calendar Year 2000**

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**ISSUE(S)**

**I. Tax Administration – Penalty**

**Authority:** IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalties assessed.

**STATEMENT OF FACTS**

Taxpayer's representative, in a letter dated November 6, 2001, requested an abatement of the penalty and interest. Taxpayer is a medical specialist in the medical field, and has no knowledge or expertise of tax law and filing requirements. Taxpayer relied on the advice of the accountant retained by her previous employer/practice.

Taxpayer filed its return late with a tax balance due of \$6,131 or seventy-two percent (72%) of the total tax. Taxpayer's representative requests the department abate the penalty and interest because the taxpayer relied on a professional.

Taxpayer was assessed a late payment penalty and an underpayment penalty. Taxpayer failed to pay the estimated tax shown on its IT-9 extension that automatically extended the filing of the return until June 15, 2001. The return was not filed until August 3, 2001.

**I. Tax Administration – Penalty**

**DISCUSSION**

Taxpayer's representative merely states that the taxpayer relied on a professional to complete the tax return and requests a waiver of the penalties and interest assessed.

Taxpayer remitted twenty-eight percent (28%) of its tax by the due date of the return. An

extension to file at a later date is not an extension to make a late payment. Taxpayer made no attempt to pay at least one hundred percent (100%) of the prior year tax. Taxpayer paid a mere thirty-eight percent (38%) of the prior year's tax by the due date. Taxpayer failed to remit the extension payment tax and filed the return after the extended filing date.

The Department finds the penalties appropriate.

**FINDING**

Taxpayer's protest is denied.